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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS

5 AND INTERFERENCES

6

7

8 *Ex parte* MATHIAS ENTENMANN

9

10

11 Appeal 2009-012037

12 Application 09/678,295

13 Technology Center 3600

14

15

16 Decided: June 18, 2010

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19 Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and

20 ANTON W. FETTING, *Administrative Patent Judges*.

21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL

23

1 STATEMENT OF THE CASE

2 Mathias Entenmann (Appellant) seeks review under 35 U.S.C. § 134
3 (2002) of a final rejection of claims 1-4, 7, 9-10, 12-19, and 22-32, the only
4 claims pending in the application on appeal.

5 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)
6 (2002).

7 SUMMARY OF DECISION¹

8 We AFFIRM.

9 THE INVENTION

10 The Appellant invented a method of effecting cashless payments and a
11 system for implementing the method (Specification 1:4-5).

12 An understanding of the invention can be derived from a reading of
13 exemplary claim 1, which is reproduced below [bracketed matter and some
14 paragraphing added].

15 1. A method of effecting a cashless payment transaction by
16 means of a merchant station characterized by a merchant station
17 identification code, a mobile cell phone with a SIM card
18 characterized by an identification code identifying the SIM
19 card, and a comparing device, which comprises a transaction
20 data memory device, a merchant checking device for checking
21 the identification codes of the merchant stations authorized for

¹ Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed February 12, 2009) and the Examiner's Answer ("Ans.," mailed March 19, 2009), and Final Rejection ("Final Rej.," mailed February 4, 2008).

1 this method, and a subscriber checking device for checking the
2 identification codes of the SIM cards authorized for this method
3 and which is connected to account keeping device, comprising
4 the steps:

5 [1] reading an amount of money to be paid into the merchant
6 station,

7 [2] transmitting, by the merchant station, the identification
8 code of the merchant station and at least the amount of money
9 to the comparing device through a data link,

10 [3] checking the authority of the merchant station for the
11 method, using the merchant checking device,

12 [4] terminating the method in the absence of the authority,
13 otherwise writing the data as an open transaction into the
14 transaction memory device of the comparing device,

15 [5] after the step of reading the amount of money into the
16 merchant station, making a connection from the mobile cell
17 phone to the comparing device,

18 [6] transmitting the identification code of the merchant
19 station and the identification code associated with the SIM card
20 from the mobile cell phone to the comparing device,

21 [7] checking the authority of the SIM card for the method,
22 using the subscriber checking device, in the absence of the
23 authority terminating the method, clearing the open transaction
24 from the transaction memory and the transmitting
25 corresponding data to the merchant station, otherwise
26 comparing the merchant station identification code transmitted
27 from the mobile cell phone with those of the open transactions
28 stored in the transaction memory device and on failure to find
29 such a transaction terminating the process and, on finding the
30 transaction,

31 [8] transmitting the transaction data to the mobile cell phone,

32 [9] outputting the data through the mobile cell phone,

33 [10] requesting confirmation information through the mobile
34 cell phone,

1 [11] transmitting the confirmation data to the comparing
2 device,

3 [12] terminating the transaction and clearing the transaction
4 from the transaction memory if the confirmation data
5 corresponds to a refusal, and transmitting the transaction data
6 from the transaction memory and the identification code of the
7 mobile cell phone to an account keeping device and clearing the
8 transaction from the transaction memory in the alternative case;
9 and

10 [13] transmitting additional supplementary transaction data to
11 the comparing device or mobile cell phone from the merchant
12 station.

13

14 THE REJECTIONS

15 The Examiner relies upon the following prior art:

| | | |
|----------------|--------------|--------------|
| Partridge, III | US 5,608,778 | Mar. 4, 1997 |
| Jonstromer | US 6,142,369 | Nov. 7, 2000 |

16

17 Claims 1-4, 7, 9-10, 12-19, and 22-32 stand rejected under 35 U.S.C.
18 § 103(a) as unpatentable over Partridge and Jonstromer.

19

20 ISSUES

21 The issue in rejecting claims 1-4, 7, 9-10, 12-19, and 22-32 under 35
22 U.S.C. § 103(a) as unpatentable over Partridge and Jonstromer turns on
23 whether Partridge and Jonstromer describe the steps or elements recited in
24 claim 1.

25

FACTS PERTINENT TO THE ISSUES

2 The following enumerated Findings of Fact (FF) are believed to be
3 supported by a preponderance of the evidence.

4 *Facts Related to the Prior Art*

5 *Partridge*

6 01. Partridge is directed to wireless telephones and processes for
7 use of such a telephone to secure action on behalf of the
8 telephone's holder (Partridge 1:8-10).

9 02. Partridge describes a basic transaction in the system is for a
10 cellular telephone to charge a chosen amount to its account with a
11 credit center and to inform a merchant that they will get the
12 benefit of this charging against the telephone holder's account
13 (Partridge 3:18-22). First, a merchant provides a customer with a
14 unique code that identifies the merchant to the credit center
15 (Partridge 5:3-5). The customer presses, the merchant's code and
16 the amount to be charged to the customer's account, into the
17 phone and thereby credited to the merchant (Partridge 5:6-9). The
18 cellular telephone transmits this data to a base station and the
19 credit center (Partridge 5:10-23). The credit center determines
20 whether the customer is in a position to receive credit (Partridge
21 5:23-28). If the customer is approved for credit, the credit center
22 transmits an approval code to the merchant and customer
23 (Partridge 5:29-32). Receipt of the approval confirmation
24 completes the transaction (Partridge 5:33-34). The cellular phone
25 transmits specific values to the credit center to request

1 confirmation of the transaction (Partridge 4:8-10). Alternatively,
2 the merchant can contact the credit center and provide its
3 identification code in order to avoid any miscommunication by the
4 customer (Partridge 5:48-52). The customer and merchant can
5 also use a transaction password (TP) and each submit the TP in
6 contacting the credit center (Partridge 5:55-62).

7 03. Several values are transmitted between the merchant, the
8 customer, the base station, and the credit center (Partridge Figs. 2-
9 6). The transmitted information includes an equipment number
10 (ESN), the cellular telephone's assigned number (MIN1), and
11 possibly a transaction password (TP) (Partridge 3:40-48 and 5:55-
12 57). The merchant code, the amount charged, and a prefix
13 comprise the string MIN2 (Partridge 5:8-9). In one embodiment,
14 the merchant only transmits the merchant ID code to the customer
15 and the customer transmits all of the values to the base station and
16 credit center (Partridge Fig. 2). In another embodiment, the
17 customer transmits all of the information to the merchant and the
18 merchant transmits all of the information to the base station and
19 credit center (Partridge Fig. 4). Partridge further describes
20 multiple variations of which devices are transmitting what
21 information to other devices, including having both the customer
22 and the merchant contact the base station and credit center with
23 the same information so that the merchant and customer are
24 matched to the same transaction (Partridge Figs. 3 and 5-6).

3 04. Jonstromer is directed to an electronic wallet and a method of
4 using an electronic wallet (Jonstromer 1:8-10).

5 05. Jonstromer describes an electronic transaction system that uses
6 a smart card or subscriber information module (SIM) configured
7 to store credits and a communication module configured to
8 transmit credits from the smart card to a party (Jonstromer 1:28-
9 30, 2:27-29, and Abstract).

ANALYSIS

Claims 1-4, 7, 9-10, 12-19, and 22-32 rejected under 35 U.S.C. § 103(a) as unpatentable over Partridge and Jonstromer

13

13 The Appellant first contends that (1) Partridge fails to describe the step
14 of transmitting an amount of money from the merchant station, as required
15 by limitation [2] of claim 1 (App. Br. 9). We disagree with the Appellant.
16 Partridge describes a system where credit is extended to a cellular telephone
17 customer and the customer can charge items to the cellular telephone
18 account (FF 01-02). Partridge describes the transaction as beginning with
19 the merchant transmitting the merchant ID to the customer (FF 02). In the
20 embodiment argued by the Appellant, the customer then transmits the
21 equipment number (ESN), the cellular telephone's number (MIN1), the
22 merchant code and the amount to charge (MIN2) to the base station and the
23 credit center (FF 02-03). The credit center compares the received
24 transmission to authenticate and makes a determination to approve credit to

1 the customer (FF 02). That is, the credit center terminal is a comparing
2 device. However, Partridge further describes that the merchant can directly
3 contact the credit center in order to avoid any miscommunication by the
4 customer (FF 02). Partridge explicitly describes that the customer transmits
5 the ESN, MIN1, and MIN2 to the merchant and the merchant transmits these
6 values to the base station and credit center (FF 03). Since the MIN2 value
7 includes the amount to be charged, Partridge explicitly describes the
8 merchant transmitting an amount of money.

9 The Appellant additionally contends that (2) Partridge fails to describe
10 the step of transmitting the identification code from the merchant from both
11 the merchant station and the mobile cell telephone, as required by limitation
12 [6] of claim 1 (App. Br. 9-10). We disagree with the Appellant. As
13 discussed *supra*, both the customer and the merchant have can transmit the
14 MIN2 value (FF 02-03). As also discussed *supra*, the MIN2 value consists
15 of the merchant code and the amount due (FF 03). Therefore, the Partridge
16 explicitly describes from either the merchant or the cellular telephone of the
17 customer.

18 The Appellant further contends that (3) Partridge fails to describe the
19 steps of writing the data transmitted from the merchant station to an open
20 transaction and then comparing a merchant station identification code
21 transmitted from the mobile cell telephone with the open transaction to find
22 the transaction, as required by limitations [4] and [7] of claim 1 (App. Br.
23 10). The Appellant specifically argues that Partridge fails to describe the
24 merchant transmitting the merchant code and therefore there would be no
25 transmission of the merchant code from the merchant that is written to an
26 open transaction (App. Br. 10). We disagree with the Appellant. As

1 discussed *supra*, Partridge describes an embodiment where the merchant
2 transmits the ESN, MIN1, and MIN2 values to the base station and credit
3 center (FF 03). Partridge further describes an embodiment where the
4 customer contacts the base station and credit center with the ESN, MIN1,
5 and the MIN2 and the merchant also contacts the credit center with the ESN,
6 MIN1, and MIN2 values (FF 03). This allows the credit center to determine
7 whether to extend the credit and send approvals to the customer and
8 merchant (FF 02). As such, Partridge describes the merchant transmitting
9 the merchant ID with an open transaction.

10 The Appellant also contends that (4) Partridge fails to describe the steps
11 of transmitting the transaction data to the mobile cell telephone and
12 outputting the data through the mobile cell telephone, as required by
13 limitations [8] and [9] of claim 1 (App. Br. 10). We disagree with the
14 Appellant. First, the steps recited in claim 1 are not required to be
15 performed in any specific order. As such, there is nothing precluding
16 limitations [8] and [9] to be performed as the first steps of the method or the
17 last steps of the method. Although the Examiner responds that the
18 *confirmation* does not include transaction data (Ans. 11-12), there is nothing
19 requiring these steps to be performed at the end of the transaction. Partridge
20 describes that a customer keys in the merchant ID and the amount to be
21 charged (FF 02). Partridge then describes that this data is transmitted to the
22 merchant or the credit center (FF 02-03). That is, Partridge describes
23 transmitting the transaction information or data to the cellular phone and
24 then transmitting the transaction data to the merchant or credit center. As
25 such, the Appellant's argument is not found persuasive.

1 The Appellant additionally contends that (5) Partridge fails to describe
2 the steps of requesting confirmation information through the mobile cell
3 telephone and transmitting the confirmation data, as required by limitations
4 [10] and [11] of claim 1 (App. Br. 11). We disagree with the Appellant.
5 Partridge explicitly describes that the cellular phone transmits values to the
6 credit center to request a confirmation (FF 02). Upon determination of
7 whether to approve credit to the customer, the customer cellular phone
8 receives a confirmation (FF 02). As such, Partridge describes requesting
9 confirmation information and transmitting confirmation data.

10 The Appellant further contends that (6) Partridge fails to describe the
11 step of transmitting additional supplementary transaction data from the
12 merchant station, as required by limitation [13] of claim 1 (App. Br. 11).
13 The Appellant specifically argues that Partridge fails to describe transmitting
14 transaction data, as argued *supra*, and therefore fails to describe transmitting
15 supplementary data (App. Br. 11). We disagree with the Appellant. As
16 discussed *supra*, Partridge describes transmitting transaction data (FF 02).
17 The Examiner further found that Partridge describes transmitting additional
18 information, including TP, ESN, MIN1, MIN2, RAND, and AUTHR (Ans.
19 14). The Appellant has not provided any rationale as to why this
20 information is not supplemental information and how the claimed invention
21 is distinguished from this description of Partridge. As such, the Appellant's
22 argument is not found persuasive.

23 The Appellant additionally contends that (7) Partridge fails to describe
24 the step of terminating the transaction if the confirmation information is not
25 given within a predetermined time (App. Br. 11). We disagree with the
26 Appellant. Partridge describes that a transaction is completed once a

1 confirmation is transmitted to the customer and merchant (FF 02). That is, if
2 a confirmation is not transmitted then the transaction is not completed. This
3 suggests that if a customer is not approved for credit, then no confirmation is
4 transmitted and the transaction is terminated. Since the termination of a
5 transaction is suggested, the Appellant's argument is not found to be
6 persuasive.

7 The Appellant also contends that (8) independent claims 18-19 recite
8 limitations similar to independent claim 1 and Partridge fails to describe
9 these limitations for the same reasons discussed *supra*. We disagree with the
10 Appellant. The Appellant's arguments were not found to be persuasive
11 *supra* and are not found persuasive here for the same reasons.

12 The Examiner did not err in rejecting claims 1-4, 7, 9-10, 12-19, and 22-
13 32 under 35 U.S.C. § 103(a) as unpatentable over Partridge and Jonstromer.

14

15 CONCLUSIONS OF LAW

16 The Examiner did not err in rejecting claims 1-4, 7, 9-10, 12-19, and 22-
17 32 under 35 U.S.C. § 103(a) as unpatentable over Partridge and Jonstromer.

18

19 DECISION

20 To summarize, our decision is as follows:

21 • The rejection of claims 1-4, 7, 9-10, 12-19, and 22-32 under 35 U.S.C.
22 § 103(a) as unpatentable over Partridge and Jonstromer is sustained.

23

Appeal 2009-012037
Application 09/678,295

1 No time period for taking any subsequent action in connection with this
2 appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

3

AFFIRMED

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